

PSJ10 Exh 2

From: Michael Perfetto
Sent: Wednesday, February 11, 2009 4:00 PM
To: Jinping McCormick; Bill Ostrowski
Cc: Nancy Baran
Subject: Fw: Omnicare Finasteride

This is an on going issue
Nice to have a system to prevent this wipe out order syndrome

----- Original Message -----

From: Nancy Baran
To: Michael Perfetto; Bob Miranda; Nekela Bornell
Sent: Wed Feb 11 18:42:33 2009
Subject: RE: Omnicare Finasteride

Nekela did come to me today to let me know about our inventory on Finasteride (5-050002)depleting to zero. I explained to her that the "DEA Suspicious Report" is not everything people often make it out to be. When time permits, I would be happy to sit with anyone interested and help you see why this is not the mechanism to prevent shipping excess product that one may believe. For starters, the report is not cumulative. For example, if a customer's monthly usage is 3000 units - they can order 2999 units every day of the month and it would not be caught. At the same time, the % of times an order comes up on this report where we would actually stop the order is a fraction of 1%. Orders come in all day long over the 25% threshold. If we stopped to question and put on hold every one of these orders, it would be crippling. The intent of the DEA suspicious report was designed to prevent excessive shipments of controlled products. In my opinion, it does a lousy job at even that.

I know that I have only provided a brief answer to this mystery, but I would be happy to go through it further when you have the time. We can take a sample report and go through one.

It should also be noted that Omnicare did not order 13,200 bottles at once. There were a few different orders. One did not come up on the report at all and the others were not alarming enough to be detected.

The DEA suspicious report is on a long list of items to be addressed. In this case, we really need to start from scratch and have a new report designed that meets our needs as a business.

Nancy

-----Original Message-----

From: Michael Perfetto
Sent: Wednesday, February 11, 2009 4:10 PM
To: Nancy Baran
Subject: Fw: Omnicare Finasteride

----- Original Message -----

From: Bob Miranda
To: 'Michael Berryman' <MBerryman@actavis.com>
Cc: Andrea Johnson; 'Michael Perfetto' <MPerfetto@actavis.com>; Nekela Bornell <nbornell@actavis.com>
Sent: Wed Feb 11 16:03:58 2009
Subject: Omnicare Finasteride

Mike,

Nekela had just informed me that Omnicare has wiped us out on the 100 count Finasteride. We just shipped them 13,200 bts x 100s which should have been caught by the "suspicious order report" for units ordered that are 25% or greater than historical purchases.

Please advise if Omnicare's usage has increased as we need to ramp up inventory based on their new usage which could take as much as 60 days.

Bob